

FISCAL IMPACT STATEMENT ON BILL NO. **H.4316**

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TO: The Honorable Robert E. "Bob" Walker, Chairperson, House Education and Public Works Committee

FROM: Office of State Budget, Budget and Control Board

ANALYSTS: Bryce Wilson

DATE: January 22, 2008 SBD: 2008005

AUTHOR: Representative Lucas PRIMARY CODE CITE: 59-104-28

SUBJECT: Scholarships for Magnet or Open Enrollment Schools

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

This Bill amends the South Carolina Code of Laws so as to establish an exception to the rank criteria for the awarding of Palmetto Fellows Scholarships to students graduating in 2008 and thereafter who attend "Magnet Schools". This Bill would enable these students who did not meet the six percent class rank limitation at their school to use a class rank calculated based on the school the student would have attended had there been no magnet school provided the magnet school student does not cause the regular high school to exceed their six percent limitation.

EXPLANATION OF IMPACT:

The total impact of this Bill is estimated at \$39,100 the first year and \$264,100 annually at full implementation in the fourth year. The Commission on Higher Education (CHE) states Fall 2006 enrollment data identified 23 students as freshman from magnet schools who did not receive the Palmetto Fellows award but met SAT/ACT and GPA requirements for the award. Presently, students qualifying for the Palmetto Fellows scholarships receive up to \$6,700 in their freshman year and \$7,500 or \$10,000 in their second, third and fourth years based on receipt of the additional stipend for math and science majors. CHE Fall Scholarship data indicates 30% of Palmetto Fellows recipients received the additional stipend (after their freshman year). Therefore, the estimated cost would be \$39,100 (23 x \$1,700) the first year. Taking into consideration the 30% who receive the additional stipend as upper classmen, the cost would increase by an additional \$75,000 (7 x \$5,000 = \$35,000 + 16 x \$2,500 = \$40,000) annually until full implementation is realized in the fourth year. See annual implementation schedule below.

<u>Fiscal Impact Estimate</u>						
H. 4316						
	Scholarship	Freshman	Sophmore	Junior	Senior	Total
Year 1	PF	\$39,100				\$39,100
Year 2	PF	\$39,100	\$40,000			\$114,100
	PF + Stipend		\$35,000			
Year 3	PF	\$39,100	\$40,000	\$40,000		\$189,100
	PF + Stipend		\$35,000	\$35,000		
Year 4	PF	\$39,100	\$40,000	\$40,000	\$40,000	\$264,100
	PF + Stipend		\$35,000	\$35,000	\$35,000	

Funding for this initiative is at the General Assembly's discretion. Additional funding could come from the State General Fund and/or Education Lottery funds.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive style with a large, looped "H" and a long, sweeping "B".

Harry Bell
Assistant Director, Office of State Budget